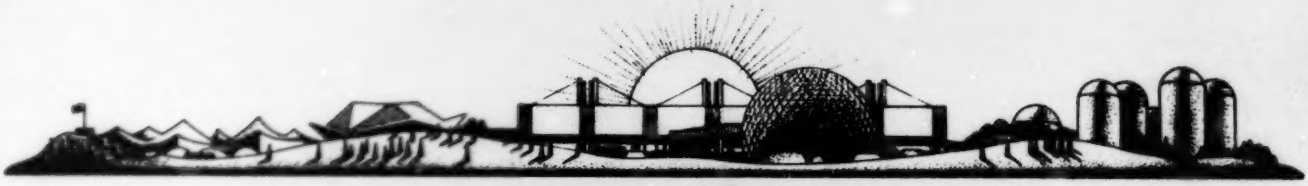

ontario place

ONTARIO PLACE CORPORATION
ANNUAL REPORT
1982/83

CONTENTS

INTRODUCTION

Minister's Message 3
Chairman's Message 3

THE YEAR IN REVIEW

Attendance 4
Programming 4
Concessions and Revenue Attractions 5
Marketing and Public Relations 5
Site Improvements 5
Financial Summary 5

FINANCIALS

Balance Sheet 6
Auditor's Report 6
Statement of Operations 7
Statement of Retained Income 7
Notes to Financial Statements 8

BACKGROUND

Organization 9
Personnel 9
Major Features 9

Ontario Place Corporation
A Crown Corporation of the Government of Ontario
The Honourable Reuben C. Baetz, Minister
John R. Sloan, Deputy Minister

Board of Directors

William P. Cooper*
Chairman of the Board

William J. McAleer*
Vice-Chairman of the Board

Joseph Chiappetta

Fern Greenbaum

Donald Hartford*

Thomas S. Jones

Ronald J. Logan

Tom MacMillan

James W. Nuttall

John R. Sloan

S. Sheldon Taerk*

R.A. Fraser Thompson

Officers

William P. Cooper
Chairman of the Board

William J. McAleer
Vice-Chairman of the Board

Tom H. Gibson
General Manager

Virginia J. Cooper
Secretary-Treasurer

*Member of Executive Committee

INTRODUCTION

Minister's Message

Since the Official Opening in May 1971, Ontario Place has developed as a unique, internationally recognized tourist and entertainment destination, providing a needed recreation, cultural and exhibit facility for Ontario's citizens and visitors to the Province.

Annual attendance has grown steadily and strong levels of visitor satisfaction have been achieved. These indicators of public support, in addition to the awards and citations received by Ontario Place, attest to its popularity and success.

With innovative planning, timely redevelopment and continued good management, the future of Ontario Place as one of the Province's major attractions looks as promising as its past.

Chairman's Message

At Ontario Place Corporation, our policy is to operate the site as a Provincial exhibition, cultural and recreational centre in order to entertain the people of Ontario and its visitors and showcase the accomplishments and potential of the Province.

A number of new initiatives were implemented in 1982 with a good measure of success:

- Future Pod, a BILD sponsored high-technology exhibit, operated for a 75 day period and was credited with a high satisfaction rating from visitors surveyed on-site.
- "Discovery: A Voyage", a major new audio-visual produced by the Ministry of Tourism and Recreation, was screened in Theatre I.
- Commencing as an experimental program in July, "Starlight Dancing" was introduced at the Roller Rink three nights a week for one month, providing a stimulus for West Island Village operators.
- Sponsorship was undertaken on a larger scale resulting in partial funding of the Showboat, Forum events and an extension of the "Starlight Dancing" program.
- A new Remote Control Boat attraction was introduced in the vicinity of Children's Village. This revenue attraction proved to be highly popular with visitors and yielded a return on investment that exceeded initial expectations.
- As well, several promotions were implemented in cooperation with the Trillium Restaurant in support of Foodland Ontario and major Ontario wineries.

The balance of the 1980's holds the promise of increased competition for tourism market share and more judicious consumer spending with respect to recreational and entertainment allocations. It challenges all of us at Ontario Place to dedicate ourselves to providing an environment that offers overall value in addition to high quality products and service.

Attendance

The following illustrates fiscal 1982 attendance by operating period:

Pre-Opening:		5,814
Summer:		
Non-CNE	1,672,038	
CNE*	663,108	2,335,146
Winter Magic:		60,764
Film Festival:		77,124
Shoulder Months:		20,791
Total:		2,499,639

*Turnstile Count

Ontario Place summer attendance (excluding CNE) increased approximately 1% over 1981. It should be noted that inclement weather in May, June and August had a negative impact on visitations generated during these months.

Surveys conducted on-site indicated that a majority of Ontario Place visitors were repeat customers who had frequented the park in 1981. Highly positive attitudes towards site facilities and services were reported and almost all of the respondents indicated strong satisfaction levels with their overall experience at Ontario Place.

Programming

Programming and entertainment attractions operating during the 1982 season included: The Forum, Ontario Bandstand, Cinesphere, Theatres I and II, West Island "Starlight Dancing", Showboat, Site Entertainment, Ontario North Now and Future Pod. Winter programs consisted of the 70MM Film Festival and Winter Magic.

Established to enhance the image of the Province, these attractions and events were programmed to appeal to the broad range of tastes of Ontario Place clientele. 1982 summer research indicates that most were credited with high satisfaction ratings from visitors surveyed on-site.

- The Forum provides patrons with quality musical experiences in a unique setting and is included in the price of admission to the grounds.

  Daily evening performances were scheduled during the 1982 summer season with matinees on weekends and holidays. The programming mix included internationally recognized popular entertainers, Canadian and Ontarian performers, ethnic days, classical and dance productions, as well as the Fourth Annual Ontario Jazz Festival.

- Ontario Bandstand provided a showcase for Canadian talent, enabling them to establish their names and musical styles before a wider audience.

- Cinesphere, a "state of the art" IMAX facility, hosted four films double-billed on weekly rotation.

- Theatre I launched "Discovery: A Voyage", a new audio-visual produced by the Ministry of Tourism and Recreation.

- Theatre II provided a children's entertainment facility featuring live performances by local talent.

- "Starlight Dancing", introduced in July, continued to operate three nights a week for the balance of the summer as a result of sponsorship provided by Molson's Brewery (Ontario) Limited. This entertainment venue presented a broad range of Canadian talent.

- The Showboat featured Canadian performances on weekends as well as Wednesdays through Fridays in July and August. Partially sponsored by Labatt's Ontario Breweries, this entertainment facility toured the waterways on-site in order to entertain patrons at waterfront areas.

- Ontario North Now, a walk through pavillion complex, presented life in Northern Ontario through a variety of informative and educational displays.

- Future Pod, featuring hands-on exhibits, provided a display forum for leading Canadian manufacturers in the high-technology field. Sponsored by BILD, this exhibit was introduced in late June and operated for a 75 day period.

- Winter Magic, established to extend public utilization of Ontario Place facilities during the off-season, operated from November 20 to January 2. Themed programs included live entertainment in Theatre II, holiday movies in Theatre I and special IMAX movies in Cinesphere.

- From January 5 to March 31, the Cinesphere 70MM Film Festival featured award winning "state of the art" films.

Concessions and Revenue Attractions

During the 1982 operating season there were eight revenue generating attractions including: Pedal Boats, Bumper Boats, four-flume Waterslide, new Remote Control Boats, Landride, Miniature Golf, Roller Rink and the HMCS Haida.

These activities have a high profile in the overall entertainment, recreational and educational values of the park. Market research conducted during 1982 indicated high levels of visitor satisfaction in terms of value and enjoyment.

Food services included five Corporate owned operations and 16 Concessions. Services offered at these facilities ranged from the fine dining experience at the Trillium Restaurant to convenient fast food fare. On-site surveys reported positive consumer attitudes towards the variety of restaurant facilities, food quality and service.

Overall, high standards of public service, safety, food preparation and handling were ensured throughout Concessions and Revenue Attractions by Corporation-sponsored training programs.

Marketing and Public Relations

Summer 1982 advertising consisted of a high profile multi-media campaign featuring the theme, "It's All Yours". Large scale promotions were also executed for Future Pod and Ontario North Now. In addition, an effective public relations program resulted in supportive newsprint and radio coverage of on-site events in the Metropolitan Toronto area. Studies of Ontario Place visitors found that these campaigns successfully generated high levels of awareness.

Promotions in 1982 included: the Official Opening, Japanese Temple Bell Ceremony, unveiling of Constitution Circle and the First Annual Ontario Place Wine Festival.

Site Improvements

An extensive "facelift" was implemented in the Spring of 1982 as part of a continuing policy to provide Ontario Place visitors with a safe, clean and comfortable environment.

Major capital projects included:

- Construction of the Ontario Travel Centre, Remote Control Boat Attraction and Roller Rink Stage.
- Refurbishing of the HMCS Haida.
- Resurfacing of East Island pedestrian walkways, bridge decks and the Waterplay area.
- Site repainting in cooperation with the Zeidler Roberts Partnership.
- Installation of new canopies at all outdoor patio and covered walkway areas, as well as a new ceiling system for Bridge • 10.

According to 1982 summer research these physical improvements enhanced visitor attitudes towards the appearance of the site.

Financial Summary

Total 1982 fiscal operating income increased by approximately 11% over 1981. This increase is mainly attributable to an increase in the admission fee from $3.50 in 1981 to $4.00 in 1982, improved concessions revenue, and sponsorship involvement in programs.

Total administrative and operating expenditures increased 16% for the same period as a result of cost of living increases in salaries, wages and benefits, a restructured marketing department to increase group and function marketing of the site, and the transfer of realty tax liability to the Corporation.

The overall net operating loss increased by approximately $667,000 with $500,000 of it attributable to the transfer of tax liability. The Province of Ontario operating subsidy increased by $1,080,000 for the 1982 fiscal year.

The development grant from the Province for site refurbishing and maintenance expenditures increased by $950,000 for the same period.

FINANCIALS

Ontario Place Corporation

(Incorporated without share capital under the Ontario Place Corporation Act)

Balance Sheet

as at March 31, 1983

ASSETS

	1983	1982
Current assets		
Cash and short term deposits	$ 671,745	$445,435
Accounts receivable	203,361	173,259
Due from BILD (note 3)	6,954	84,051
Inventory (note 1b)	248,725	195,543
Prepaid charges	7,954	6,593
	1,138,739	904,881
Fixed assets (notes 1a and 2)	1	1
	$1,138,740	$904,882

LIABILITIES AND RETAINED INCOME

Current liabilities		
Accounts payable and accrued liabilities	$ 682,900	$454,710
Accrued realty taxes (note 4)	157,730	129,653
Due to the Ministry of Tourism and Recreation (note 5)		200,000
Deferred income (note 10)	52,067	28,701
	892,697	813,064
Retained income	246,043	91,818
	$1,138,740	$904,882

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

To Ontario Place Corporation and
to the Minister of Tourism and Recreation.

I have examined the balance sheet of Ontario Place Corporation as at March 31, 1983 and the statements of operations and retained income for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1983 and the results of its operations for the year then ended in accordance with the basis of accounting described in note 1a to financial statements applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Corporation and to the Minister.

Toronto, Ontario
July 8, 1983

D.F. Archer, F.C.A.
Provincial Auditor

Ontario Place Corporation

Statement of Operations for the year ended March 31, 1983

	1983	1982
Operating Income		
Fees – admissions	$5,093,841	$4,511,365
– revenue attractions	999,261	985,473
– parking	999,810	848,141
Concessions (note 6)	1,060,331	884,170
Gross profit – boutiques (note 7)	239,997	249,653
– food services (note 8)	160,127	161,153
– Winter Program (note 9)	205,933	218,327
Marina	289,868	278,700
Corporate sponsorship	94,011	30,000
Interest income	90,264	142,741
Film rentals and videotaping fees	84,249	121,715
Other	75,448	34,416
	9,393,140	8,465,854
Administrative and operating expenditures		
Salaries, wages and employee benefits	4,722,140	4,152,117
Programming and entertainment	2,013,167	1,895,448
Site maintenance and miscellaneous services	1,123,628	950,635
Advertising	1,048,814	954,368
Realty taxes (note 4)	615,409	212,106
General and office	543,902	334,447
Supplies	536,171	484,604
Utilities	402,795	412,040
Security services	310,417	271,890
Films and photography	113,689	168,610
Directors' fees	10,910	10,780
	11,441,042	9,847,045
Net operating loss before grant	2,047,902	1,381,191
Province of Ontario operating grant	2,101,000	1,021,000
Net operating income (loss)	53,098	(360,191)
Province of Ontario capital grant (note 11)	1,469,000	519,000
Less capital expenditures	1,367,873	524,301
	101,127	(5,301)
Net income (loss)	$ 154,225	$ (365,492)

Statement of Retained Income for the year ended March 31, 1983

	1983	1982
Retained Income		
Beginning of year as previously reported	$ 216,818	$ 457,310
Correction of prior period error (note 4)	(125,000)	–
As restated	91,818	457,310
Net income (loss) (note 4)	154,225	(365,492)
Retained income, end of year	$ 246,043	$ 91,818

See accompanying notes to financial statements.

Ontario Place Corporation

NOTES TO FINANCIAL STATEMENTS
March 31, 1983

1. SIGNIFICANT ACCOUNTING POLICIES

(a) The financial statements have been prepared in accordance with generally accepted accounting principles except that the Corporation charges all additions to fixed assets as expenditures in the year of acquisition and reflects fixed assets on the balance sheet at a nominal value.

(b) Inventory is valued on a first in first out basis at the lower of cost or net realizable value.

2. FIXED ASSETS

The total accumulated costs of fixed assets acquired since inception, less disposals to March 31, are as follows:

	1983	1982
Improvements to land	$ 3,541,401	$ 3,107,271
Buildings	7,156,260	6,077,869
Furniture and equipment	3,374,889	3,098,767
	$14,072,550	$12,283,907

Additionally, the original capital cost of facilities provided by the Province of Ontario, less disposals, amounted to approximately $28.9 million as at March 31, 1983.

3. DUE FROM BILD

By agreement dated March 17, 1982, the Board of Industrial Leadership and Development (BILD) agreed to contribute one million dollars for the interior design, construction, promotion and 1982 season operating costs of "Future Pod", a high technology display at Ontario Place.

As at March 31, 1983 the Corporation had expended $993,888 of which $473,970 was for the 1982 season operating costs of Future Pod and $519,918 was expended on Future Pod capital expenditures which is included in fixed assets. Future Pod expenditures and related BILD grants are not included in the Statement of Operations. At March 31, 1983, the Corporation had received $986,934 from BILD leaving a balance to be recovered of $6,954.

4. CORRECTION OF AN ERROR IN PRIOR PERIOD FINANCIAL STATEMENTS

Prior to 1982 the Ministry of Municipal Affairs and Housing paid a grant in lieu of realty taxes to the City of Toronto for land owned by the Corporation. In 1982, the Corporation was advised that it would be required to reimburse the Ministry for an amount equal to the grant. On December 2, 1982, the Corporation paid $500,000 to the Ministry for the year ended December 31, 1982. The Corporation receives increased funding from the Ministry of Tourism and Recreation to offset this additional expense.

The Corporation did not reflect the tax liability for the period from January 1 to March 31, 1982 in the financial statements for the year ended March 31, 1982. As a result, the statements for 1981-82 have been restated to show a retroactive increase of $125,000 in realty tax expense and accrued property taxes. This adjustment increased the 1982 loss from $240,492 to $365,492.

5. DUE TO THE MINISTRY OF TOURISM AND RECREATION

During 1981-82 the Corporation received a temporary cash advance of $200,000 from the Ministry to defray expenses arising from the construction of Future Pod. This advance was subsequently repaid in April 1982.

6. CONCESSIONS

Concession revenue includes rents from concessionaires and the net operating profit of two wholly-owned food service operations, The Trillium Restaurant and Caboose, which are operated under a management agreement.

7. GROSS PROFIT ON BOUTIQUE SALES

The operations are summarized as follows:

	1983	1982
Sales	$647,543	$618,639
Merchandise Cost of Sales	407,546	368,986
Gross Profit	$239,997	$249,653

8. GROSS PROFIT ON FOOD SERVICES

The operations are summarized as follows:

	1983	1982
Sales	$242,595	$252,783
Merchandise Cost of Sales	82,468	91,630
Gross Profit	$160,127	$161,153

9. GROSS PROFIT ON WINTER PROGRAM

The operations are summarized as follows:

	1983	1982
Sales	$389,584	$433,116
Film Rentals, Snack Bar and Boutique Cost of Sales	183,651	214,789
	$205,933	$218,327

10. DEFERRED INCOME

Deferred income results primarily from the prepayment of IMAX film rental fees and Marina slip rentals.

11. COMMITMENT – IMAX FILM

The 1982-83 capital grant includes a $100,000 grant from Lottario proceeds for the production of an IMAX film. On May 9, 1983, the Corporation entered into an agreement with a company to develop and produce an IMAX motion picture film at a total cost of $1.4 million. The film is scheduled for completion in May 1984. Total funding for the film will be provided by Lottario. As at March 31, 1983, the Corporation had expended $12,500 on this project.

12. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform with 1983 presentation.

BACKGROUND

Organization

Established as a Crown Corporation in May 1972, Ontario Place is administered by a 13 member Board of Directors reporting to the Minister of Tourism and Recreation.

Officers of the Corporation are: the Chairman of the Board, Chairman of the Executive Committee and Vice-Chairman of the Board, the General Manager and the Secretary-Treasurer.

Reporting to the General Manager are five Senior Department Managers responsible for:

- Finance and Administration
- Attractions and Operations
- Marketing and Public Relations
- Programming
- Maintenance and Construction

Personnel

Fiscal 1982 staff levels accounted for 400 full-time job equivalents. The Corporation employed 70 full-time and 600 summer seasonal employees and an additional 500 summer seasonal staff were employed by on-site Concessions. Summer seasonal staff are recruited primarily from Ontario Colleges and Universities.

Major Features

Major features of the 96-acre parkland complex extending throughout three man-made islands along the Toronto waterfront include:

EAST ISLAND

Children's Village, four-flume Waterslide, Water-play Area, Miniature Golf, Bumper Boats, Remote Control Boats, The Forum, HMCS Haida, Showboat, 300-Slip Marina, Boat Cruises, 3 Gift Shops, 3 Sit-Down Restaurants (total of 1,200 seats), 6 Snack Bars.

THE PODS

Cinesphere (800 seat IMAX Theatre), Yours to Discover Theatre (audiovisual film theatre with seating capacity for 325), Children's Live Theatre (275 seats), Future Pod (10,000 square feet, high technology exhibit), Trillium Restaurant (280 seats), Lounge and Banquet Facilities.

WEST ISLAND

Ontario North Now (7,700 square feet of exhibit space), Roller Rink (18,000 square feet), Japanese Temple Bell, Pedal Boat Rentals (100 units), Bandstand, 4 Sit-Down Restaurants (seating capacity for 1,300), 6 Snack Bars.

MAINLAND

Parking (capacity for 1,400 cars), 45-Slip Marina.

Ontario

Ministry of Tourism and Recreation

Province of Ontario
Queen's Park
Toronto, Canada
M5R 2A5

Hon. Reuben C. Baetz
Minister
John R. Sloan
Deputy Minister

POOR

QUALITY

ORIGINAL